

HCS HB 345 -- MARKET CONDUCT EXAMINATIONS

SPONSOR: Shull (16)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Insurance Policy by a vote of 10 to 0.

The bill provides that if the Director of the Department of Insurance, Financial Institutions and Professional Registration determines that an insurance company should pay interest upon any claims, refunds, or payments due to an examination, investigation, settlement agreement, or other action that the interest charged shall be determined as provided in Section 32.065, RSMo, not to exceed 9%.

PROPONENTS: Supporters say that this interest rate is outdated. It was tied to law back in 1979 when interest rates were much higher. This rate is currently too high for the current market and companies are having to pay huge fines because they are finding issues from over 10 years ago and when you compound interest at 9% that really adds up. This needs to be fixed to flow with the market.

Testifying for the bill were Representative Shull; State Farm Insurance Companies; American Insurance Association; Property Casualty Insurers Association of America; and Missouri Insurance Coalition.

OPPONENTS: There was no opposition voiced to the committee.